2017 –2018 BUDGET

at a glance

Presented by:
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Every Student. Every day. Prepared for success.
Key Issues Influencing $929 Million Budget Development

- School districts are limited by two mechanisms of spending control – limits to annual budget growth and a property tax levy cap. The maximum levy limit is $1.05 per $100 of assessed valuation. Excluded from the maximum levy limitation are amounts levied to pay for early leave incentives and amounts levied to retire bonded indebtedness.
- For 2017, the district’s assessed valuation increased by 4%.
- The district’s total state aid increased by $62 million while at the same time estimated property tax receipts decreased by $52 million. Increases in state aid, plus reductions in operations, will be used to balance the budget.
- During the last school year, the district’s teaching staff was reduced by 4 positions due to shifts in enrollment and the closing of Saratoga. Additional teaching staff may be hired due to elementary class sizes when school starts.
- The 2016-17 PK-12 fall membership of 52,304 demonstrates an annual increase of 419 students. OPS became a majority minority school district in 2002-03. This trend continued in 2016-17 with 72.1% of the district’s students representing racial/ethnic groups. 2017-18 KP-12 membership is expected to increase by 3%.
- K-12 students currently participating in the ESL Program includes 7,862 English language learners or 15.8% of the K-12 student population. There are 18,692 students in the district who speak 114 different languages other than English in the home. There are 2,463 refugee students in the district coming from 13 different countries.
- PK-12 student participation in the Free and Reduced Price Lunch program is 74%. Although not the most precise indicator of poverty, student participation in the Free and Reduced Price Lunch program is the only indicator of socioeconomic status universally available to public schools across the nation.
- Teacher salaries for 2017-18 reflect an average 5.5% salary and benefit package increase of $13.8 million. Salary increases and other cost increases will be funded with state aid due to enrollment increases, reallocation within the budget as a result of efficiency efforts, and use of cash balances.
- The Student Assignment Plan (Partner Plan) will be implemented in 2017-18. The purpose of SAP is to provide a framework by which students are able to access schools throughout the district. Its aim is to create a more efficient and simple plan for assigning students to schools, transporting students and building upon diverse learning environments through a voluntary school selection process. It is expected that transportation expenditures will decrease over time when fully implemented.
- A new middle school alternative program will be implemented in 2017-2018 and the district’s virtual school program is expanding to include ninth graders.

Students in OPS are highly mobile. Nearly 1 out of 10 OPS students will attend multiple schools each year.
Where We Get Our Money

**Federal revenue** is largely made up of special education and various federal programs. Federal sources are exempt from the Nebraska spending limitations, because their fiscal year and spending guidelines differ from the state’s budgeting guidelines, Nebraska school budgeting requirements call for these funds to be reported.

**Local revenue** sources include local property taxes, investment income, fines, licenses, motor vehicle tax and carline tax. Various businesses and foundations provide financial support for district efforts.

**State revenue** is generated primarily by sales and income taxes. These revenues are distributed to school districts based on formulas approved by the Nebraska Legislature.

There are 54,041 computers in the district, 46,503 (86%) are desktops and laptops and 7,538 (14%) are tablet devices. Almost all of these devices are over 4 years’ old.
Following the passage of LB409 in 2017, the appropriation for state aid decreased by $47 million for FY2017-18 and is projected to decrease by $75 million for FY2018-19. LB409 changed the formula which provides state aid to schools pursuant to the Tax Equity and Educational Opportunities Support Act (TEEOSA). The fiscal estimate for FY 2017-18 is based upon a comparison of the aid that would have been distributed in FY2017-18 pursuant to current law and the aid that will be allocated per LB409. The basic allowable growth rate or spending limitation in the state aid formula is decreased by 1% from 2.5% for FY2017-18 and FY2018-19. The change in the rate decreases the cost growth factor in the formula which is used to inflate school district expenditures for the purpose of calculating state aid. A decrease in the cost growth factor reduces the amount of state aid provided as basic funding. The local effort rate in the formula is currently set at $1.00. LB409 increases the local effort rate to $1.0203 for FY2017-18 and FY2018-19. An increase in the local effort rate reduces the amount of state aid provided to school districts because the formula assumes a district has increased resources.

The state’s underfunding of Nebraska public education is taking its toll on the Omaha Public Schools’ ability to address rising costs, growing enrollment, special needs of our students, in increasingly higher expectations.

Nearly 16.5% of all public school students in Nebraska, and 45.8% of PK-12 students in Douglas County, are educated in OPS.
# How we Spend Our General Fund Money

<table>
<thead>
<tr>
<th>Program Summary</th>
<th>%</th>
<th>2017-2018 Budget</th>
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</thead>
<tbody>
<tr>
<td>Board of Education and General Administration</td>
<td>1.84%</td>
<td>11,231,531</td>
</tr>
<tr>
<td>Buildings and Grounds</td>
<td>9.30%</td>
<td>56,650,405</td>
</tr>
<tr>
<td>Business Support Services</td>
<td>5.67%</td>
<td>34,506,150</td>
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<tr>
<td>Early Childhood Non-Special Education</td>
<td>0.86%</td>
<td>5,218,819</td>
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<tr>
<td>Early Childhood Special Education &amp; Community Use of Facilities</td>
<td>0.47%</td>
<td>2,887,649</td>
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<tr>
<td>Instructional Support</td>
<td>2.98%</td>
<td>18,148,438</td>
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<tr>
<td>Regular Instruction</td>
<td>47.23%</td>
<td>287,539,020</td>
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<tr>
<td>Regular Summer School</td>
<td>1.03%</td>
<td>6,262,623</td>
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<tr>
<td>School Administration</td>
<td>5.97%</td>
<td>36,371,670</td>
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<tr>
<td>Special Education</td>
<td>12.02%</td>
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<td>Student Support</td>
<td>5.81%</td>
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<td>Transportation</td>
<td>6.58%</td>
<td>40,037,066</td>
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<tr>
<td>Misc. Programs</td>
<td>0.24%</td>
<td>1,422,143</td>
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</tbody>
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40,000 lunches and 21,000 breakfasts are served each day in Omaha Public Schools.
Without question, the most significant district cost is staff salaries and benefits. This expenditure category accounts for 85% of all expenditures. Some staff, such as special education teachers and para-educators, are paid with federal funds, while regular education classroom teachers are paid out of the General Fund.

Expenditure categories include the following:

- **Salaries and Benefits**: Health/life/disability insurance, workers’ compensation and retirement
- **Purchased services**: Contracted services with vendors and providers outside of the district (ex: school resource officers)
- **Utilities**: Heating fuel, electricity, water, sewer and phone
- **Transportation**: School bus transportation for district students, including fuel
- **Supplies and Materials**: Items which deteriorate through use
- **Capital Outlay**: Equipment over $5,000 and vehicle acquisition
- **Other**: Includes dues, fees, licenses and permit

10.7 million square feet are maintained in district buildings, with an additional 1 million to be added by the conclusion of bond improvements.
The 2017-18 budget includes increases and decreases in FTE (full-time equivalency) that are not necessarily a new position or a new person on staff. Some of the increases are due to an increase in the number of hours a person worked during the budget year, thus increasing FTE but not adding a new employee. Some of the decreases are due to vacant positions that have not been filled.

The 2017-18 budget includes an additional 5.61 FTE in school buildings. Budgeted FTE for Curriculum and Instruction decreased by (-3.88) FTE and Human Resources decreased by (-0.45) FTE. Reductions in FTE were achieved through attrition and were used to assist in balancing the budget.

All of the staff FTE increases, including the administrative additions, are a result of additional enrollment and increased expectations and requirements in the classroom.
As expected, the majority of a school district’s resources support students, schools and instructional activities. The Omaha Public Schools sets a strong example of this practice. If you consider all operating funds (which excludes bond/interest), 83.9% of the district’s budget is devoted to expenditures that occur at schools and in direct support of student learning.

The remainder of the district’s operating expenditures are in facilities maintenance, other support services and general administration which fund critical business functions such as human resources, payroll, finance, technology and custodial services, as well as key district leadership expenses such as the superintendent of schools.

20,000 students each day rely on school bus transportation to and from school.
District Anticipates Additional Growth

Having grown by nearly 7,543 students in the last 20 school years, district enrollment for 2016-17 was 52,304 students, the highest student population since 1976. Unlike many urban districts across the country, Omaha’s enrollment remains strong, and the district continues to educate more than 45% of all children in Douglas County.

School funding is based on fall membership and then is recalculated based on average daily membership (ADM) rather than simple headcount. Both figures are key to the operation of schools, and it is important to understand the difference.

**Fall Membership:** The official membership taken on the last Friday in September, representing every student served by the Omaha Public Schools. Fall membership represents the school of the operation that the district must maintain in order to appropriately serve every child.

**Average Daily Membership:** Average daily membership is the average daily membership for grades kindergarten through twelve attributable to the local system and includes the proportionate share of students enrolled in a public school instructional program on less than a full-time basis.

10 million cartons of milk are consumed by Omaha students each year.
114 languages are spoken in the homes of Omaha’s students.
2016-17 Property Tax Comparison

**Actual Property Tax on a $100,000 House**

- Springfield Platteview
- Gretna Public Schools
- Papillion La Vista
- Bellevue Public Schools
- Westside Community Schools
- Bennington Public Schools
- Ralston Public Schools
- Millard Public Schools
- DC West Community Schools
- Elkhorn Public Schools
- Omaha Public Schools

**Historical Property Tax Rates**

- General Fund
- Bond Fund
- QCPUF

1,250 acres of land is owned and maintained by OPS.
Our goal here at Omaha Public Schools is to work hard to be good stewards of taxpayer dollars. We have an administrative team that works closely with our Board of Education to keep a close eye on general fund dollars spent, our bond construction dollars and the grant dollars our philanthropic community generously donates to our district annually to help support important programs for our students.

As part of our commitment to transparency, our budget information is readily accessible for our stakeholders online. Just visit openbook.ops.org and follow the links to learn more about the OPS’ budget.

The budget for Omaha Public Schools is the financial plan that aligns the District’s expenditures with the mission and guiding principles as established by the Board of Education.

Key dates relative to the budget adoption process include:

**Budget Development Timeline**

**AUGUST**
- 7th - Budget Workshop
- 20th - Property Tax Certifications

**September**
- 1st - Publication of Budget Hearing Forms (OPS & ESU19)
- 6th - Budget Hearing Budget Adoption
- 20th - Budget filing, deadline with:
  - County Clerk
  - Sarpy County Clerk
  - NE Dept. of Education

**October**
- 13th - Resolution Setting Property Tax
  - Request filing deadline with County Clerk & Auditor of Public Accounts

5,400 musical instruments are maintained by the district to support student musicians.
Educational Service Unit No. 19
2017-2018 Budget

- Meets Total Levy Limits of 1.5 per $100 of assess value.
- Includes funds received from Omaha Public Schools to support the District's technology and printing operations.

**Total Expenditures**

- General Fund $17,016,531
- Interlocal Agreement – Technology $9,917,044
- Interlocal Agreement – Printing Services $2,123,653

**Total Revenue Required**

- General Property Tax Requirement - $3,122,991
- State Aid $3,038,777
- State – Other - $68,200
- Local – Other than Taxes - $9,600
- Other Non-Revenue $300,000
- Interlocal Revenue – Omaha Public Schools $18,518,070

**Property Valuation Base**

$21,028,142,224

4.06% increase over 2016

*Includes 1% tax collection fees.
Key Issues Influencing $29 Million ESU 19 Budget Development

- Educational Service Unit 19, affiliated with Omaha Public Schools, is one of 17 ESUs in Nebraska. Educational Service Units were created by the Legislature in 1965 to provide services to enhance education. ESU 19 funds a variety of programs to support and enhance education services.
- ESU 19 is controlled by the same Board of Education as is elected for the Omaha Public School District and is supported by a property tax levy of 1.5 cents per one hundred dollars of valuation.
- ESU 19 provides required core services of staff development, technology and media services.
- The 2017-18 budget reflects strategies that allow ESU 19 to utilize funding based upon the educational needs of students.
- The 2017-18 budget includes expenditures to upgrade the District’s Enterprise Resource Planning System (ERP) with PeopleSoft’s latest releases. OPS is currently running a version of PeopleSoft that was last upgraded in 2009.

Proposed ESU 19 Budget for 2017-2018

- Business Support Services $17,377,165
- Instructional Support $10,893,582
- Board of Education & General Administration $12,600
- Student Support $749,291

ESU 19 covers approximately 134 square miles and services Approximately 52,000 students.